

APPROVED

March 3, 2009

Michigan State Administrative Board

Lansing, Michigan

February 10, 2009

A special meeting of the State Administrative Board was held in the Lake Superior Room, 1st Floor, Michigan Library and Historical Center, on Tuesday, February 10, 2009, at 11:15 a.m.

Present: Steven Liedel, Legal Counsel, representing Jennifer M. Granholm, Chairperson
Walt Herzig, Chief of Staff, representing John D. Cherry, Jr., Lt. Governor
Brian DeBano, Chief of Staff, representing Terri Lynn Land, Secretary of State
Patrick F. Isom, Assistant Attorney General, representing Michael A. Cox, Attorney General
Mary G. MacDowell, Director, Financial Services Bureau, representing Robert J. Kleine, State Treasurer
Carol Wolenberg, Deputy Superintendent for Administration, representing Michael P. Flanagan, Superintendent of Public Instruction
Sherry Bond, Secretary

Absent: Kirk T. Steudle, Director, Department of Transportation

Others Present:

Socorro Guerrero, Matt Keck, Iris Lopez, Patricia Quinn, Jarrod Smith, Department of Attorney General; Lia Gulick, Lynda Zeller, Department of Corrections; Sergio Paneque, Department of Information Technology; James Burris, Melissa Castro, Elise Lancaster, Rebecca Nevai, Craig Orr, Janet Rouse, Kristi Thompson, Department of Management and Budget; Joe Fielek, Department of Treasury; Dick Miles, Correctional Medical Services, Inc.; Jim Bliss, Dickinson, Wright, PLLC; John Pirich, Honigman, Miller, Schwartz, & Cohn; Chris Dembowski, David Massaron, Miller, Canfield, Paddock, and Stone, PLC; Joseph Aoun, Nuyen, Tomtishen, & Aoun, PC; Lawrence Pomeroy, David Waymire, Prison Health Services, Inc.; Kelly Keenan

1. CALL TO ORDER:

Mr. Liedel called the meeting to order and led the Pledge of Allegiance to the Flag.

2. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

NONE

3. REPORTS AND RECOMMENDATIONS OF COMMITTEES: (Please see the following pages)

APPROVED

February 10, 2009

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Jennifer M. Granholm, Governor
and
Members of the State Administrative Board

A regular meeting of the **Finance and Claims** Committee was held at
11:00 a.m. on February 10, 2009. Those present being:

Chairperson: Mary G. MacDowell, representing Approved _____
State Treasurer Kleine

Member: Steven Liedel, representing Approved _____
Governor Granholm

Member: Iris Lopez, representing Approved _____
Attorney General Cox

Others: Socorro Guerrero, Matt Keck, Patricia Quinn, Jarrod Smith,
Department of Attorney General; Lia Gulick, Lynda Zeller,
Department of Corrections; Carol Wolenberg, Department of
Education; Sergio Paneque, Department of Information Technology;
Sherry Bond, James Burris, Melissa Castro, Cindy Collins, Elise
Lancaster, Rebecca Nevai, Craig Orr, Janet Rouse, Kristi Thompson,
Department of Management and Budget; Brian DeBano, Department of
State; Joe Fielek, Department of Treasury; Walt Herzig, Lt.
Governor's Office; Dick Miles, Correctional Medical Services, Inc.;
Jim Bliss, Dickinson, Wright, PLLC; John Pirich, Honigman, Miller,
Schwartz, & Cohn; Chris Dembowski, David Massaron, Miller,
Canfield, Paddock, and Stone, PLC; Joseph Aoun, Nuyen, Tomtishen, &
Aoun, PC; Lawrence Pomeroy, David Waymire, Prison Health Services,
Inc.; Kelly Keenan

The Finance and Claims Committee supplemental agenda was presented.

Following discussion, Mr. Liedel moved that the supplemental agenda be
recommended to the State Administrative Board on February 17, 2009, for
approval. The motion was supported by Ms. Lopez and unanimously adopted.

The Finance and Claims Committee regular agenda was presented.

Mr. Keenan spoke on behalf of Correctional Medical Services, Inc. (CMS)
about the questions CMS had regarding the procurement process. He said
they attempted to address these questions with the State Administrative
Board members individually.

Mr. Dick Miles, the Chief Executive Officer for CMS, spoke regarding the serious concerns noted in their protest. He said their initial full risk bid was \$369 million dollars lower (than PHS) and their shared risk bid was \$60 million dollars lower (than PHS). He also said he understands the decision made by the State and will cooperate with the Department of Corrections during the transition to Prison Health Services, Inc. He said the procurement process had been a fair and open process.

Mr. Larry Pomeroy, the President of Prison Health Services, Inc. (PHS), spoke regarding his appreciation for the Department of Management and Budget's (DMB) and the Department of Corrections' (DOC) professional manner. He also said PHS is working to transition with the incumbent provider and will provide quality inmate health care to the State.

Ms. Lancaster, the Director of DMB's Purchasing Operations, said the procurement process was conducted with integrity and due diligence was done. CMS protested and the State welcomed the protest as it allows the State to double-check the process. She said she was confident the process was open, fair, and transparent for all. She said the Knowledge Management Team is an independent team that reviews the protest, interviews all involved, reviews the proposals, the JEC synopsis, and all emails. She said this procurement process earned the trust and confidence on this solicitation to provide health care to inmates.

Ms. MacDowell asked if there were any questions from the Board members and no questions were forthcoming.

Following discussion, Ms. Lopez moved that the regular agenda be recommended to the special State Administrative Board on February 10, 2009, for approval with Items 3(2) and 3(3) withdrawn by the Department of Management and Budget. The motion was supported by Mr. Liedel and unanimously adopted.

Ms. MacDowell adjourned the meeting.

A G E N D A

2/4/09 3:30 version

FINANCE AND CLAIMS COMMITTEE

February 10, 2009, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

STATE ADMINISTRATIVE BOARD

February 10, 2009, 11:15 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

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This agenda is for general informational purposes only.
At its discretion the Finance and Claims Committee may revise
this agenda and may take up other issues at the meeting.

SECTION I - AGENCY SUBMITTED - NEW CONTRACTS

1. DEPARTMENT OF ATTORNEY GENERAL

1)	Dailey Law Firm Royal Oak, MI	NOT TO EXCEED \$ 75,000.00 Total FY09 50% Restricted Funds 50% Federal Funds Special Assistant Attorney General (SAAG) contract for the Department of Community Health, Third Party Liability Section Medicaid subrogation cases
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2. DEPARTMENT OF CORRECTIONS

1)	Michigan Corrections Organization Lansing, MI	\$ 30,035.76 Total FY09 100% General Fund Retroactive approval to purchase printed contractual agreements
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3. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

1)	Creative Community Builders Minneapolis, MN	NOT TO EXCEED \$ 65,000.00 Total FY09 100% Restricted Funds Creation of a Cultural Economic Development Plan for the cities of Lansing and East Lansing, Michigan
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3. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES continued

- 2) Michigan Library Consortium \$ 52,000.00 Total
Lansing, MI **FY09-10** 100% GF/GP
Subscription for access to the
OCLC bibliographic database
- 3) Michigan State University NOT TO EXCEED
East Lansing \$ 60,000.00 Total
FY09-10 100% GF/GP
Electronic catalog services

4. DEPARTMENT OF HUMAN SERVICES

- 1) Wayne Metropolitan Community NOT TO EXCEED
Action Agency \$ 40,000.00 Total
Wyandotte, MI **FY09-11** 100% State GF/GP
Two-year, seven-month twelve
day contract for emergency food
vouchers in Wayne County
- 2) Lutheran Social Services of NOT TO EXCEED
Wisconsin and Upper \$ 895,244.00 Total
Michigan **FY09-11** 80% Fed/20% GF/GP
Marquette, MI Two-year, seven-month contract
for Homeless Youth and Runaway
services
- 3) Addiction Treatment Services, NOT TO EXCEED
Inc. \$ 140,534.00 Total
Traverse City, MI **FY09-11** 100% Federal
Two-year, seven-month, twelve-
day contract for substance
abuse treatment services
- 4) Professional Counseling NOT TO EXCEED
Center, P.C. \$ 126,691.00 Total
Port Huron, MI **FY09-11** 100% Federal
Two-year, seven-month contract
for wraparound coordination
services

SECTION II - AGENCY SUBMITTED - CONTRACT CHANGES

5. DEPARTMENT OF ATTORNEY GENERAL

1)	William Dunkel & Associates	\$	38,379.00	Amendment
	Pleasant Plains, IL	\$	62,379.00	New Total
		FY09-10	100% General Funds	
			Additional funds for the	
			contract for Litigation Expert	
			Witness services in a	
			depreciation case before the	
			Michigan Public Service	
			Commission (MPSC)	

6. DEPARTMENT OF CORRECTIONS

1)	Great Lakes Recovery	\$	46,500.00	Amendment
	Centers, Inc.	\$	73,500.00	New Total
	Marquette, MI	FY09-11	100% General Fund	
			Additional funds to continue	
			sex offender counseling	
			services for parolees and	
			probationers	

7. DEPARTMENT OF HUMAN SERVICES

1)	Various DDS Series	\$	0.00	Amendment
	(Listing on file)	\$	17,512,278.00	Total
		FY09-11	100% Federal	
			Previously approved on 9/12/08	
			Contractor change - no monetary	
			difference	
2)	Various PROFC Series	\$	449,630.00	Amendment
	(Listing on file)	\$	2,461,043.00	New Total
		FY08-10	100% Federal Funds	
			Additional funds due to rate	
			increase for reimbursement to	
			county prosecuting attorney	
			offices	

SECTION III - AGENCY SUBMITTED - NEW GRANTS

8. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH

1)	Al Haidous for Southeast Michigan Community Alliance (SEMCA) Taylor, MI	\$ 640,000.00 Total FY09 50% Federal Funds (Chafee funds from the Department of Human Services 50% Private Funds (Casey Family Program Foundation Funds) Grantee will receive special project funds to administer the Foster Youth Demonstration Project (FYDP)
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9. DEPARTMENT OF ENVIRONMENTAL QUALITY

1)	Various (Listing on file)	\$ 493,450.00 Total FY09 100% Restricted Funds Grant to provide funding to identify and require the correction of illicit connections to storm sewers
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10. DEPARTMENT OF NATURAL RESOURCES

1)	Berrien County Brownfield Redevelopment Authority St. Joseph, MI	\$ 56,198.00 Total FY09 100% Restricted Funds Transfer of grant funds for removal of the Watervliet Dam on the Paw Paw River - these grant funds were originally approved to the Nature Conservancy on 9/2/08
2)	Delta P2e2 Chicago, IL	\$ 63,000.00 Total FY09-11 100% Federal Funds Funding to provide technical, financial, and educational assistance to Michigan forest owners

11. DEPARTMENT OF TREASURY

- | | | |
|----|---------------------------------------|---|
| 1) | Various Grantees
(Listing on file) | \$ 1,422,881.00 Total
FY09 100% Federal Funds
To fulfill the requirements of
U. S. Department of Education
College Access Challenge Grant
Program (CACGP) |
|----|---------------------------------------|---|

SECTION IV - AGENCY SUBMITTED - GRANT CHANGES

12. DEPARTMENT OF COMMUNITY HEALTH

- | | | |
|----|--|--|
| 1) | Southeastern Michigan
Health Association
Detroit, MI | \$ 552,646.00 Amendment
\$ 16,516,792.00 New Total
FY09 69% Federal Funds
9% State GF 20% Restricted
2% Fees Other State Funds
Additional funds for a one-year
grant agreement to provide
various Michigan Department of
Community Health projects
designed to meet the needs of
the Department and Citizens of
Michigan |
| 2) | Various Vendors
(Listing on file) | \$ 2,575,749.00 Amendment
\$118,365,222.00 New Total
FY09 28.5% State GF
3.5% Restricted 68% Federal
Additional funds for a one-year
grant agreement to provide
access to critical health
services to local public health
departments |
| 3) | Michigan Funeral Directors
Association
Okemos, MI | \$ 20,000.00 Amendment
\$ 26,000.00 New Total
FY09 100% Federal Funds
Additional funds for a one year
grant agreement to provide
support for keeping the
Michigan Mortuary Response Team
in a ready state for rapid
deployment in a mass fatality
event |

13. DEPARTMENT OF HUMAN SERVICES

- | | | |
|----|---------------------------------------|--|
| 1) | Camp Highfield
Onondaga, MI | \$ 93,750.00 Amendment
\$ 168,750.00 New Total
FY09-11 100% Federal
Previously approved 3/18/08
Amount inadvertently was
decreased and term shortened
when contract was executed.
Extension will allow youth to
complete program. |
| | | |
| 2) | Alternatives for Girls
Detroit, MI | \$ 93,750.00 Amendment
\$ 168,750.00 New Total
FY09-11 100% Federal
Previously approved 3/18/08
Amount inadvertently was
decreased and term shortened
when contract was executed.
Extension will allow youth to
complete program. |

SECTION V - DMB SUBMITTED - NEW CONTRACTS

14. DEPARTMENT OF CORRECTIONS

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|----|---|--|
| 1) | Grand Strategy LLC
South Haven, MI | \$ 1,703,866.00 (3 years)
FY09 100% Revolving
071I8200161 Mesh Fabric to
Produce Laundry Bags for
Prisoners |
| | | |
| 2) | Prison Health Services
Brentwood, TN | \$325,594,397.00 (3 yrs 8 wks)
FY09-12 100% General Funds
071I8200193 Prisoner Health
Care Services |

15. DEPARTMENT OF EDUCATION

- | | | |
|----|---|--|
| 1) | Johnson Pools and Supplies,
Incorporated
Flushing, MI | \$ 92,664.00 (3 years)
FY09-12 85% Federal Funds
15% Restricted
071I9200055 Swimming Pool
Cleaning, Maintenance, and
Repair at the Michigan School
for the Deaf - Fay Academy |
|----|---|--|

16. DEPARTMENT OF ENVIRONMENTAL QUALITY

1)	Kent Power, Inc. Kent City, MI	\$ 246,035.00 (one-time) FY09 100% Restricted Funds 071I9200038 Wind Turbine for the DEQ/DELEG Saginaw Bay District Office in Bay City
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17. DEPARTMENT OF INFORMATION TECHNOLOGY

Various RE:START Vendors

**Short-term Staff Augmentation
for information technology for
various departments**

1)	Complete Corporate Solutions (Radhamani Venugopal) Madison Heights, MI	NOT TO EXCEED \$ 146,060.00 (1 year) FY09 100% Revolving Funds 071I9200065 For a web developer to assist Telecommunications with the development of a customer facing, web-based (clientless) and secure service portal for ordering standard services for DIT Telecommunications
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18. DEPARTMENT OF TRANSPORTATION

1)	Aspen Aerials, Inc. Duluth, MN	\$ 642,300.00 (one-Time) FY09 100% Restricted Funds 071I9200058 Truck-mounted, Under Bridge Inspection Unit
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SECTION VI - DMB SUBMITTED - CONTRACT CHANGES

19. DEPARTMENT OF COMMUNITY HEALTH

1)	Jackson & Coker Alpharetta, GA	\$ 1,112,000.00 Amendment \$ 5,112,000.00 New Total FY09-10 100% General Funds 071B62000375 Additional funding for a one-year option to the contract for Temporary Psychiatric Services
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19. DEPARTMENT OF COMMUNITY HEALTH continued

2)	Medical Doctor Associates, Inc. Norcross, GA	\$ 862,000.00 Amendment \$ 4,394,980.00 New Total FY09-10 100% General Funds 071B6200435 Additional funding for a one-year option to the contract Temporary Psychiatric Services
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20. DEPARTMENT OF INFORMATION TECHNOLOGY

Various RE:START Vendors

**Amendment(s) to existing
contract(s) for Short-term
Staff Augmentation for
Information Technology for
various departments**

1)	Amberian (Suresh Perugupalli) Granger, IN	\$ 176,800.00 Amendment \$ 353,600.00 New Total FY09 100% Federal Funds 071B8200087 Additional funding for a one-year option to the contract for a Senior Programmer Analyst to assist the Department of Education with the development of enhancements to the Migrant Education Database System (MEDS)
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21. DEPARTMENT OF MANAGEMENT AND BUDGET

1)	Haworth, Inc. Holland, MI	\$ 800,000.00 Amendment \$ 7,650,000.00 New Total FY09 100% General Funds 071B1001708 Additional funding for a three-month extension of the contract for Ergonomic and General Office Seating, Statewide
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21. DEPARTMENT OF MANAGEMENT AND BUDGET continued

- 2) Hi-Tec Building Services \$ 122,375.00 Amendment
Jenison, MI \$ 500,278.00 New Total
FY09-10 100% Restricted Funds
071B6200038 Additional funding
for a one-year option to the
contract for Janitorial
Services for the Department of
Transportation Saugatuck and
glen Rest Areas
- 3) Hi-Tec Building Services \$ 130,322.00 Amendment
Jenison, MI \$ 519,585.91 New Total
FY09-10 100% Restricted Funds
071B6200039 Additional funding
for a one-year option to the
contract for Janitorial
Services for the Department of
Transportation Watervliet and
Coloma Rest Areas and Fred
Jonas Roadside Park
- 4) Hi-Tec Building Services \$ 149,846.00 Amendment
Jenison, MI \$ 567,566.00 New Total
FY09-10 100% Restricted Funds
071B6200040 Additional funding
for a one-year option to the
contract for Janitorial
Services for the Department of
Transportation Marshall and
Battle Creek Rest Areas and
Woodside Roadside park
- 5) Hi-Tec Building Services \$ 122,725.00 Amendment
Jenison, MI \$ 498,609.00 New Total
FY09-10 100% Restricted Funds
071B6200041 Additional funding
for a one-year option to the
contract for Janitorial
Services for the Department of
Transportation Galesburg and
Plainwell Rest Areas

21. DEPARTMENT OF MANAGEMENT AND BUDGET continued

6)	Legally Correct Transcript, Inc. Lansing, MI	\$ 500,000.00 Amendment \$ 1,500,000.00 New Total FY09-10 96.81% Federal Funds 3.19% General Funds 071B7200138 Additional funding for Transcription Services
7)	Midwest Catalyst Group, Inc Lansing, MI	\$ 500,000.00 Amendment \$ 1,000,000.00 New Total FY09-10 96.81% Federal Funds 3.19% General Funds 071B7200139 Additional funding for Transcription Services
8)	Various Medical Supply Vendors (Listing on file)	\$ 2,979,000.00 Amendment \$ 7,794,874.99 New Total FY09-10 Various Funding Additional funds for a one-year option to the contracts for Medical Supplies, Statewide

22. DEPARTMENT OF NATURAL RESOURCES

1)	Bio-Oregon Longview, WA	\$ 951,400.00 Amendment \$ 2,137,416.00 New Total FY09-10 100% Restricted Funds 071B7200332 Additional funds for Fish Food due to the yearly price increase
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SECTION VII - RELEASE OF FUNDS TO WORK ORDER

SECTION VIII - REVISION TO WORK ORDER

SECTION IX - CLAIMS - PERSONAL PROPERTY LOSS

23. DEPARTMENT OF CORRECTIONS

Employee Claims

- 1) Danny Powers \$527.47

The claimant (09-SAB-008) requests \$527.47 reimbursement for his personal eyeglasses broken while restraining an inmate. The Department recommends approval of \$400.02 for this claim.

Inmate Claims

- 2) Wayne Jack #136093 \$ 85.00

The claimant (08-SAB/DOC-371) requests \$85.00 reimbursement for his footlocker damaged by staff. The Department recommends denial of this claim.

24. DEPARTMENT OF NATURAL RESOURCES

- 1) Tonetta Schmidt \$854.63

The claimant (08-SAB-151) requests \$854.63 reimbursement for damage to his vehicle after a rock thrown from a lawnmower operated by a State employee hit the door. The Department recommends approval of this claim.

25. DEPARTMENT OF STATE

- 1) Gerald P. Smith \$ 65.00

The claimant (08-SAB-172) requests \$65.00 reimbursement for towing charges incurred as a result of Department of State error. The Department recommends approval of this claim.

26. DEPARTMENT OF STATE POLICE

- 1) Enterprise-Rent-A-Car \$729.85

The claimant (08-SAB-170) requests \$729.85 reimbursement for damage to their vehicle after running over stop sticks. The Department recommends approval of this claim.

27. DEPARTMENT OF TRANSPORTATION

- 1) Chad Bethke \$951.22

The claimant (09-SAB-013) requests \$951.22 reimbursement for damage to his vehicle when a car counting cable broke and got tangled to the vehicles undercarriage. The Department recommends approval of this claim.

- 2) Cortez Ryans \$523.00

The claimant (08-SAB-148) requests \$523.00 reimbursement for damage to his vehicle after hitting a pothole. The Department recommends denial of this claim.

SECTION X - CLAIMS - PERSONAL INJURY LOSS

28. DEPARTMENT OF NATURAL RESOURCES

- 1) Karen Amachree \$999.99

The claimant (08-SAB-169) requests \$999.99 reimbursement for injuries she received stepping into a hole at Waterloo Recreation area. The Department recommends approval of \$526.99 for this claim.

SECTION XI - APPROVAL OF SPECIAL ITEMS

29. DEPARTMENT OF CORRECTIONS

- 1) Reporting an emergency purchase order #472P8211827 for \$33,362.35 with Raytex Fabrics, Inc. to purchase supplex to manufacture Corrections Officers' rain jackets. This report is in accordance with Administrative Guide Procedure 0620.02.
- 2) Reporting an emergency purchase order #472P8212000 for \$40,595.13 with Milliken & Company to purchase rip stop fabric to manufacture Corrections Officers' shirts. This report is in accordance with Administrative Guide Procedure 0620.02.
- 3) Reporting an emergency purchase order #472N9202212 for \$49,948.50 with Kelo, Inc. to purchase knit fabric to manufacture tee shirts and underwear for prisoners. This report is in accordance with Administrative Guide Procedure 0620.02.

30. DEPARTMENT OF NATURAL RESOURCES

- 1) Reporting an emergency grant award for \$100,000.00 to the Alpena Snowmobile Association, a non-profit club of Alpena, Michigan, for the purchase of a grooming tractor due to the only groomer they own becoming inoperable. The club maintains State-designated snowmobile trails for public use and without proper equipment to groom the trails, the public's safety will be in jeopardy.

The Director of the Department of Management and Budget recommends approval by the State Administrative Board of the items contained in Sections I, II, III, IV, V, and VI of this agenda. Approval by the State Administrative Board of these award recommendations does not require or constitute the award of same. Award of contracts shall be made at the discretion of the DMB Director or designee.

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Ms. MacDowell presented the Finance and Claims Committee Report for the regular meeting of February 10, 2009. After review of the foregoing Finance and Claims Committee Report, Ms. MacDowell moved that the Report covering the regular meeting held February 10, 2009 and the regular agenda from that meeting only be approved. The motion was supported by Mr. DeBano and unanimously approved.

4. ADJOURNMENT:

Ms. Wolenberg moved to adjourn the meeting. The motion was supported by Mr. DeBano and unanimously approved. Mr. Liedel adjourned the meeting.

SECRETARY

CHAIRPERSON